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April 30, 2010

Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: WT Docket Nos. 96-86 and 06-150 and PS Docket No. 06-229
Notice of *Ex Parte* Presentation

Dear Ms. Dortch:

On April 29, 2010, Michael Gottdenker and Andrew Rein of Access Spectrum, LLC (Access Spectrum), Mark Pagon of Xanadoo Company (Xanadoo), Kathleen Wallman of Wallman Consulting, LLC (an advisor to Xanadoo), Paul Kolodzy of Kolodzy Consulting, LLC (an advisor to Xanadoo), and I met with Ruth Milkman, Joel Taubenblatt, Robert Alderfer, Erik Salovaara and Ziad Sleem of the Wireless Telecommunications Bureau, and Evan Kwerel of the Office of Strategic Planning and Policy Analysis. During the meeting, Access Spectrum and Xanadoo discussed the issues summarized in the attached slide presentation, copies of which were distributed during the meetings.

Pursuant to section 1.1206(b) of the Commission's rules, this letter and the attachment are being submitted for inclusion in the public record in the above-referenced proceedings.

Sincerely,

/s/ Charles W. Logan
Charles W. Logan
Counsel to Access Spectrum

Attachment

cc: Ruth Milkman
Joel Taubenblatt
Robert Alderfer
Erik Salovaara
Ziad Sleem
Evan Kwerel

AccessSpectrum

Xanadoo
wireless high-speed internet

COMBINING AND AUCTIONING THE UPPER 700 MHz A AND D BLOCKS IN A SINGLE BLOCK

A More Efficient Spectrum Configuration to Promote the Public Interest and Benefit Consumers

April 29, 2010

Agenda

- Introduction
- Public Interest Benefits of Combining the Upper 700 MHz A and D Blocks
- The Need for Immediate FCC Action
- Why Secondary Markets Won't Work
- The Advantages of FCC Action Over Secondary Markets in Achieving Public Interest Benefits
- Next Steps

Introduction

- Access Spectrum and Xanadoo have worked with other members of the Coalition for 4G in America – Sprint Nextel, T-Mobile, MetroPCS, Clearwire, Rural Telecom Group – to support the FCC's plan to auction the D Block

- The Broadband Plan recognizes the need to make more spectrum available to meet the nation's exploding demand for broadband

- The Coalition has urged the FCC not only to auction the D Block, but to combine the Upper 700 MHz A Block with the D Block and auction them as a single block

- The Coalition has filed a paper supporting this proposal and explaining:
  - How combining A+D Blocks enhances spectrum efficiencies
  - Why the standards-setting process requires FCC action *now*
  - Why the FCC cannot rely on secondary markets to combine A+D

Introduction (cont'd)

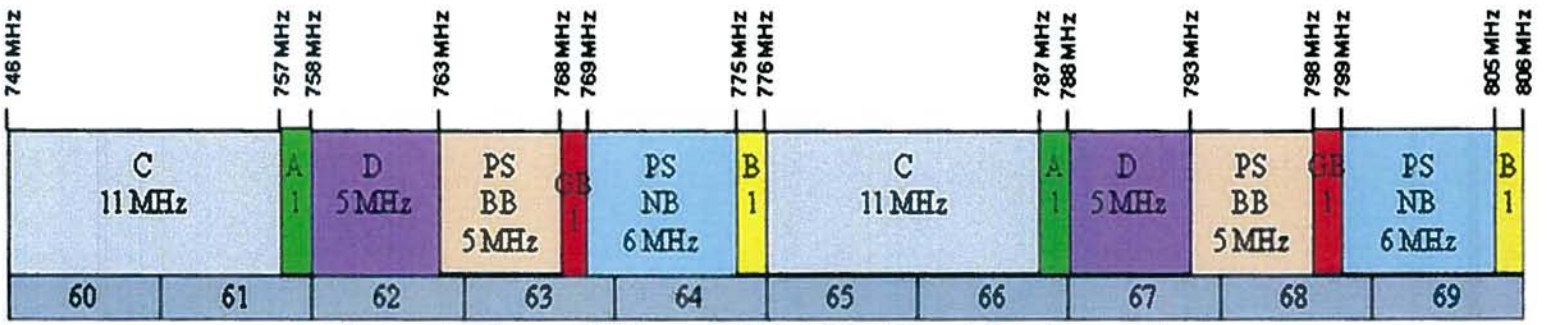

Figure 1: Current Upper 700 MHz Band Configuration

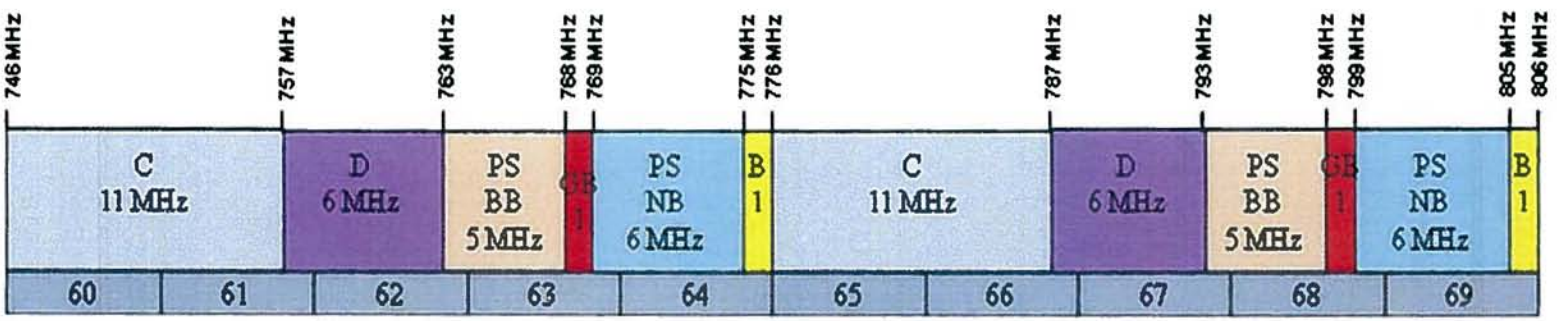

Figure 2: Proposed Upper 700 MHz Band Configuration

Public Interest Benefits of Combining A+D

- Maximize efficient use of highly valuable spectrum
  - Increase the amount of usable broadband spectrum for D Block auction winners
  - Avoid underutilization of A Block spectrum, which as a stand-alone block cannot support standardized 4G technologies

- Create synergies with Lower 700 MHz Blocks by creating a 6 MHz paired block in Upper Block that corresponds with Lower 700 MHz paired blocks

- Promote spectral efficiencies by matching the enhanced D Block more closely with the specific bandwidth options contained within the LTE standard

- Establish a precedent for repurposing other bands for 4G broadband use

The Need for Immediate FCC Action

- Current 3GPP standards do not include the Upper A Block because of its narrow channel size nor do they include a 2x6 MHz (A+D) Upper 700 MHz Block

- The broadband standards-setting process requires certainty and is driven by FCC band configuration decisions currently in place
  - Equipment providers are highly unlikely to expend resources on developing standards based on the speculative possibility of the A and D Blocks being combined through private market transactions

- Without expeditious FCC action to combine the A and D Blocks, the standards setting process will move forward based on the current configuration and ignore the efficiencies and benefits of combining the two blocks into a 2x6 MHz block

Why Secondary Markets Won't Work

- FCC action is the quickest and most efficient mechanism for capturing the efficiencies and benefits of combining the A and D Blocks

- Relying on secondary markets would impose significant transaction costs and coordination problems for private market negotiations
  - Difficulty in valuing highly complementary spectrum blocks if the two blocks are not made available at the same time and through the same auction mechanism
  - Difficulties in negotiating transactions between D and A Block licensees if the two blocks are licensed in different geographic areas
  - Potential strategic holdouts

- Kwerel and Williams OPP paper described the public interest rationale for repurposing incumbent spectrum so that it can be auctioned with complementary unassigned spectrum blocks – while their paper concerned larger issues, their proposal applies with equal strength in this case

Advantages of FCC Action Over Secondary Markets in Achieving Public Interest Benefits

- Simultaneity – Auctioning the A and D Blocks in a combined block will make these highly complementary blocks available to the market at the same time

- Speed – An A+D auction will expedite the licensing of scarce 700 MHz spectrum for broadband and enable the standards-setting process to develop 4G technology for the combined block

- Low transaction costs – An auction avoids extensive, costly, and time-consuming bi-lateral and multi-lateral negotiations

- Transparency and Liquidity – An A+D auction rules will provide a transparent, efficient market mechanism

- Participation – An A+D auction will minimize strategic holdout problem

Next Steps

- In the D Block NPRM to be issued later this year, the FCC should propose combining and auctioning the A and D Blocks in a single block

- In the same NPRM, the FCC should seek comment on the appropriate mechanisms for implementing this spectrum repurposing proposal